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THE COURSE IN ELEMENTARY ECONOMICS

What shall be done with the course in the Elements of Economics? Here is a question so much discussed in recent years that it might well seem difficult to add any new or original ideas. After a number of years of rather varied experience in the teaching of the Elements or Principles of Economics, however—to freshman, sophomores, juniors, seniors and graduates; to majors and non-majors; to college students, commerce students, agricultural students, law students, engineers, foresters, veterinarians, and different assortments and combinations of these—the writer ventures to formulate some tentative conclusions, in the hope that they may be suggestive, if not otherwise valuable. These conclusions are, briefly, that the course in Elements or Principles of Economics, instead of being the first course in the schedule, or nearly the first, and prerequisite to the other courses in economics, should come late, preferably in the senior year, and should be preceded by most of the other courses in economics. Perhaps it would be better to say that Elements of Economics should be eliminated, and, in the senior year, a substantial course in the Principles of Economics should be given.

A distinction must be made between majors and non-majors, or between those who are specializing in economics or commerce and those who take only one course in economics. Neither class of students should take the Elements or Principles before the junior year, however. The course is difficult enough, even for juniors, if they have had no other work in economics, but it is not impossible. The writer has taught Principles of Economics to junior and senior non-majors for several years, and finds it a fairly satisfactory course. Many of these students have considerable information in history, sociology, government, and in the sciences, which they can bring to bear upon economic questions. Most of them have a sufficient background of facts and sufficient maturity to enable them to understand the Principles fairly well.

For economics majors, or for students in schools of commerce or business, the course in Elements or Principles of Economics, as ordinarily presented, serves mainly as a preliminary bird's-eye view of the general field, covering largely material which is treated in detail in later courses. The table of contents of almost any of the texts in common use follows very closely the schedule of courses given in the average department of economics.

The question arises here: why should students cover economic history, or business organization, or railways, first superficially, in a chapter or two in Ely or Seager or Clay, then thoroughly, in a specialized course, a year or two later? Students do not need to spend five

hours of their college curriculum just to get an idea as to what economics includes. This they can learn from the table of contents of any good textbook, or from the university catalogue. It is very doubtful whether most students do their later work better for having covered it briefly in the course in Elements. Some students probably gain something, but some of them actually lose. Some of them take up later courses with less freshness and vigor than they would if they were entirely unfamiliar with their content, for the same reason that freshmen who have had economics in high school do no better work in the college course in Elements than freshmen who have had no such course, or for the same reason that those graduate students at Harvard or Yale who have done graduate work elsewhere do not do notably better work than those who have done no previous graduate work, or often do even poorer work. If a brief summary of the field of economics is to be given at all, it should be given at the end of the college schedule, rather than at the beginning.

Most students do not have time to take courses in all the various fields of economics, however, and the course in Principles serves the further useful purpose of filling the gaps in the students' schedules. As far as it serves thus as a "gap-filler"—if that awkward term may be used—it should obviously come late in the college schedule. In the senior year, when the student has finished most of his work, he at least knows what are the gaps or weak spots in his training and can fill them far more intelligently than he could earlier. Furthermore, he will do this work much better, and so will leave college with a better balanced economic training than he would if he had done the work earlier. Thus the student who for some reason does not get a complete course in Labor Problems will have a vastly better understanding of that field, if he studies it in Taussig or Marshall in his senior year, than if he studies it in one of the more elementary texts in his freshman or sophomore year. The gap-filling course should come late.

The most serious hiatus in the average student's training is found in distribution. Most economics majors get little in this field except what they find in the course in Elements or Principles, because few of them take the later course in Distribution of Wealth. Now, as far as the course in Principles is a discussion of the problems of distribution, it should certainly come in the senior year. The problems of distribution are among the most tangled, complex and many-sided to be found in economics, and require perhaps a broader basis of information and experience and sounder judgment than any other set of problems in the whole field. Freshmen or sophomores wrestling with the problems of value, marginal and specific productivity, trade unionism, the adequacy of the present economic system, socialism and the single tax, before they are permitted to study Economic History, Railroads,

Marketing, Business Organization, or Banking! How could the student have an intelligent idea as to the adequacy of the present economic system, for instance, before he knows anything about that economic system? How much will he understand about socialism, when he has so little notion as to the adequacy of the system it is designed to improve? Is it not clearly expedient for him to take first those descriptive courses which give an idea of the economic system as it is, and then consider the question of the justice or injustice of that system?

Altogether the course in Principles is the most difficult course given in most departments of economics, for it covers ten to twenty times as much ground as most other courses. One of the most popular texts, for instance—and one of the most teachable—presents, in 750 pages, the following array of topics: economic history of England; economic history of the United States; production; consumption; business organization; corporations; monopolies; money; credit and banking; international trade; protection; value; distribution, including the problems of rent, wages, interest and profits; labor problems; labor legislation; railroads and transportation; insurance; agricultural problems; socialism; public finance; and history of economic thought! Almost any of the subjects enumerated makes a fairly difficult course in itself, yet the freshman or sophomore is supposed to be able to get some sort of understanding of each in a day or two, or perhaps a week. Something he will learn, if he has reasonable ability and industry, but he will have mostly very superficial ideas, and will fail to grasp the essence of many of the problems considered. Many teachers of the Elements probably exaggerate the amount that underclassmen really understand. The students learn by rote some definitions of utility, value, margins, rent, laissez faire, etc., but frequently have little or no idea whatever as to the real meaning of these terms. The writer has often been astounded, in teaching advanced theory classes, to see the grotesque ideas, or lack of ideas, that students have carried away from the class in Elements. Since the students do not get a clear grasp of much that they cover, they forget quickly. Anyone who doubts this is invited to try giving one of the examinations in the Elements to a class of seniors, two or three years after they have finished the course. Such an examination will not only show how little the students finally retain, but will also throw some light on the question as to how much the course in Elements aids in the understanding of later courses. What the students have forgotten they obviously cannot have been using much.

It is sometimes assumed that the course in the Elements or Principles is a sort of key to the later courses, that it serves as a foundation for the proper understanding of the later work. On that theory it is generally made a prerequisite to later courses. As far as it is a sum-

mary of the other courses in economics, it doubtless has some value, but as far as it is a treatment of the problems of distribution, or an effort to bring the various branches of economics into a unified whole, it should not be considered a foundation for later work. The truth is exactly the reverse. The later courses are the absolutely essential foundation for a good grasp of the Principles. The Principles is the superstructure, and it should be established on a solid foundation of facts from economic history, commercial geography, statistics, business organization, corporation finance, money, banking, and other courses.

It has been suggested that the course in the Elements gives students a knowledge of principles which they will be able to apply in later work. But students do not grasp principles without having the data and facts which prove or illustrate these principles. The principles and the facts should be given at the same time and in the same course, for only thus will the principles be understood, or the facts have any meaning. The place to consider theories of crises is not the course in Elements, where little but the theories are given, but the course in Money and Banking, where the history of crises and other data will give the theories some meaning. The place to treat theories of wages is not in the Elements, before the student knows anything of the history of labor, but rather in the course in Labor Problems, in connection with historical and other data that may illustrate those theories. Perhaps the best place to consider the advantages of large-scale production will be in Business Organization, and not in the Elements, where only a skeleton summary is presented, and memorized by the more industrious students. A rather large share of many textbooks in the Elements is taken up with summaries of historical facts and principles so brief as to be almost meaningless.

There is no separate body of economic truth which can be carved out and designated "principles." There are principles of various kinds, it is true, underlying all economic phenomena. Some of these principles relate to money, some to banking, some to land problems, some to marketing, some to labor, some to transportation, some to each of the various branches of economics; and they should be treated in their proper connection, and not in any dis severed course in the Elements or Principles of Economics. Similarly, there is no separate body of economic truth or doctrine that can properly be called "economic theory." There are theories of all kinds, just as there are principles of all kinds, but they should be considered in connection with specific problems, and not in a separate course. Courses in "economic theory" have always seemed to the writer badly named, to say the least.

The Elements of Economics is not properly a foundation for later courses, and in some respects it is actually misleading in its relation

to most later courses. Some of what the student learns in the Elements he must promptly unlearn before he can go on intelligently. For instance he learns certain definitions for land, capital, and entrepreneur, with the incomes rent, interest and profits—in fact, a fair share of his elementary course is built up around these concepts. When he gets into Business Organization, Accounting, Banking, Corporation Finance, Railroads, or some other succeeding courses, he finds that the definitions he learned do not apply. In these courses capital is not instruments of production; land is not all the gifts of nature, but the surface of the soil; interest is not the income accruing from the use of capital, but the income from a loan of money; rent is paid for buildings as well as for land; distribution, in the later course in Marketing, refers not to income but to oranges and potatoes. Many of the definitions used in the Elements most students never see again in any later course, because most students do not take Economic Theory or Distribution of Wealth—the only courses in which those definitions reappear.

There is plenty to do in the earlier years of the college course, without the work in Elements of Economics. Languages and mathematics are done better by freshmen and sophomores than by upperclassmen; and some history, political and economic, and political science, should be included, with whatever sciences may be regarded as broad training. These, with two or three of the easier courses in economics, will not leave the underclassman much time to fret over theories of distribution.

Most departments of economics, nevertheless, follow the plan of giving an all-inclusive course in Elements or Principles to freshmen or sophomores, and make this course prerequisite to most other work in economics. This arrangement can probably be explained, if not excused, by the power of academic tradition. Not many decades ago, only one or two courses in economics were given in most universities—Principles of Political Economy, and perhaps one or two other courses. New courses were gradually added to the curriculum, but the course in Principles was retained as a fundamental introductory course. As long as there were only a few other courses, there was justification for a broad course in the Principles, even if there was little reason for making it the first course; but when enough advanced courses were added to cover the entire field of economics, the course in Principles represented little but duplication. It was not changed much, in character or in scope, as the other courses were added. This is revealed by examination of some of the textbooks used in the United States during the past half century or more. Wayland, Bowen, Amasa Walker, Perry, Meservey, Newcomb, Macvane, Osborne—all cover somewhat the same general ground. Wayland's *Elements of Political Economy*, published in 1837, strikingly resembles many recent texts.

John Stuart Mill's *Principles* is not very different from many texts now in use, except that it is somewhat superior to most of them.

College work in economics should of course bear some relation to the work given in the high school, and in this connection another reason appears why the course in Elements should not be given to underclassmen. There is a fortunate tendency toward the introduction of more of the social sciences in high school, preferably in the last year. It need not be given again in college a year or two later. One argument sometimes urged in favor of giving it early in the college course, to sophomores, or even to freshmen, is that it reaches more students then. A course in the last year of high school, however, reaches several times as many boys and girls as a course in college. Furthermore, it will perhaps be conceded that our college curriculum should be fashioned largely to meet the needs of those who follow through to graduation, rather than for those who fall by the wayside, for the fit rather than for the unfit. This assumes a four-year high school course, but that is almost universal in most states in the Middle West at the present time. If junior colleges should be established in large numbers, the college curriculum must of course be changed.

There has been a widespread appreciation of the fact that underclassmen do not have the basis of information necessary to a thorough grasp of the course in Principles; and at least twenty institutions have provided one or two, or even as many as three courses, to precede the Principles and lay a foundation for it. The courses most commonly prescribed are largely historical or descriptive—Economic History of England, Economic History of the United States, Commercial Geography, Commercial Industries, Economic Resources, American Economy, The Economic Order, Modern Economic Life, Industrial Society, Industries and Commerce, Descriptive Economics, etc.

This movement is in the right direction, but it does not go far enough. If it is clearly and entirely absurd, as many economists would say, to teach Principles of Economics to freshmen, because freshmen lack historical and factual background, it is only slightly less absurd, let us say about 33 per cent less absurd, to try to teach sophomores these principles after a descriptive or historical course or two. Or, to put it in another way, if the postponement of the course in Principles for one year and the injection of one or two prerequisites noticeably improves the students' chances of getting an intelligent grasp, as it undoubtedly does, is it not fair to assume that a postponement of another year or two, and the introduction of more prerequisites would further improve their chances? It does exactly that, in the experience of the writer. The difference between juniors or seniors and sophomores is just as great as the difference between sophomores and freshmen; and this difference is more important in the study of the Principles than

in the study of any other course in economics. Sophomores handle the largely descriptive work of a course in Marketing, or Commercial Geography, or Economic History nearly as well as the students of the next year, but they do not do Principles nearly so well. To those teachers of economics who have never taught Principles to juniors and seniors, the writer ventures to suggest a year's trial of such a course as one of the pleasantest tasks that the teaching profession affords.

The course in Principles should not follow absolutely all other economics courses, to be sure. Such courses as Modern Economic Reform, Socialism, or History of Economic Thought, should follow the Principles, or at least should be taken along with it. Students should have a thorough grasp of economic physiology before they attempt economic therapy.

The argument has sometimes been offered that if the course in the Elements is too difficult for underclassmen, it should and can be simplified; that the trouble is with the manner in which the course is given. It is doubtless true that something can be given to sophomores or even freshmen which they can understand, and this something can be called Principles of Economics, but it will be mainly something else. The principles of economics are not simple, and cannot be made simple. The factors involved are often very complex, variable and should be weighed with mature judgment. For instance, take the question of Fisher's compensated dollar. The writer recalls a meeting of the American Economic Association where this was discussed by some of the ablest authorities on money in this country, yet there was the widest divergence of views, not only as to its practicability, but even as to the manner of operation of such a scheme. If we charitably assume that some of the economists understood the question clearly, we shall have to concede that an approximately equal number—those of opposing views—did not know much about the question. Yet Ely's *Outlines* simplifies the matter in a little less than a page. Economic questions and economic principles are not simple, and any attempt to make them simple is sometimes a misrepresentation as to their real character. Some of the most successful "simple" textbooks have been largely descriptive, and this sort of work is excellent, if, as in the high school, it is the best that can be done. If the course in Principles is mainly a superficial hodge-podge of descriptive material, as it is in some textbooks which are commonly used, it is merely a duplication of work which the student does later.

From still another angle we may see the wide scope and difficulty of a course covering the entire field of Economics. How many professors of economics are well grounded in all or even in most of the branches of the subject? Doubtless most of them are well enough schooled to teach a group of sophomores, for underclassmen are tolerably gullible;

but there are not a half-dozen economists in the United States of broad enough information to write a scholarly and adequate text comparable with, let us say, Taussig's *Principles of Economics*—and Professor Taussig would doubtless admit that his text has its weak chapters. Ely's *Outlines* is the work of four men, and it has its weak chapters. All of the textbooks in common use are weak in spots, because the writers have been unable to cover so much ground and do it all well. A field so broad and difficult that not even veteran economists have been able to cover it satisfactorily in a textbook is obviously a pretty stiff job for a freshman or sophomore.

One reason for believing that the preliminary survey course is bad pedagogy is that it is being discarded in some departments other than economics. The writer calls to mind several departments at the University of Kansas which formerly offered introductory general courses for their major students, but have now dropped them.

There are, it is conceded, a number of valid arguments for giving the Elements in the first or second year. The course reaches a larger number of students than it would if given later; it is more valuable than most other courses to those students who leave school at the end of a year or two; it aids the students to see the nature and scope of the field of economics early in their college career; it gives them a few principles which aid them in later work; it serves to some extent as a sifter for the elimination of students who have not the ability to pursue work in economics; and it serves as an excellent training course for the younger instructors, giving them a chance to teach the broader principles of economics before they specialize too much. All of these arguments have their force, but they are not important enough to justify the present scheme.

In working out a more satisfactory schedule, the courses in Economic History present a rather puzzling problem. A course in Economic History as ordinarily given, has somewhat the same faults that inhere in a course in Principles. It covers too much, and it often leads nowhere. Perhaps it would generally be admitted that history is valuable only as far as it aids in the understanding of present problems, yet Economic History is often a detached study, with little obvious bearing on present problems. Such a course is likely to cover a vast field: history of agriculture, history of land policies, land tenure, labor, manufactures, industrial development, railroads, shipping, canals, roads and transportation, money and banking, tariff, etc.; and of course there is not much time, in a three-hour course, to tie all this matter down to present problems. In other words, an immense mass of historical facts is dumped upon the student, in the serene hope that he will stow it away and find it useful some day. This is not entirely unprofitable, for the student will very likely find use for some of it

before he forgets it. Probably, however, these historical data would be more useful in the solution of present problems if they were presented directly in connection with those problems. For instance, perhaps the place for consideration of the history of transportation is not in a course in *Economic History*, but in the course in *Transportation*; perhaps the place for history of money and banking is not in a detached course in *Economic History*, but in the course in *Money and Banking*. As a matter of fact, a course in *Economic History* is largely duplication of work which is given, and absolutely must be given, elsewhere. It is not possible to treat money and banking intelligently without the history of money and banking, or transportation problems without the history of transportation, or land problems without the history of land tenure, or tariff questions without the history of the tariff. The writer does not mean to offer any objection to the study of economic history in general, for a good knowledge of economic history is absolutely essential to clear economic thinking. The point is merely that an introductory course in *Economic History*, although valuable, involves a great deal of duplication, and, like the introductory course in *Elements*, is perhaps not the most profitable use of the students' time.

The lines of demarcation between courses should be changed. In the past, the assumption has been, to some extent, that lines should be drawn between the principles, the history, and the problems themselves. That is, principles should be studied in one course—the principles governing transportation, land problems, money, banking, tariff, labor problems, etc. Another course, or group of courses, entirely separate, was designed to cover the history of transportation, land problems, money, banking, tariff, labor problems, etc. Then a later, third group of courses was supposed to take up the problems themselves. In this third group of courses it was necessary to take up again the history and principles directly pertaining to the particular problems, but the general course in *Principles*, and perhaps also the courses in *Economic History*, still stand as relics of an outgrown system—partly unprofitable duplication. Possibly the course in *Economic History* should be retained, since it has been well organized in most universities, but it should not duplicate too much of the work given later. A great many problems arise here regarding the organization of other courses and the adjustment of the different courses to each other. Some courses and schedules of courses have “just grown,” and a complete overhauling would in many cases, secure a more effective use of the students' time. All this, however, is beyond the scope of this paper.

In conclusion then, a four-year course in economics or commerce should begin with work in *Industrial and Commercial Geography*,

Accounting, Business Organization, Marketing, perhaps Economic History or other similar courses. These courses are largely descriptive or at least reasonably concrete, are probably easiest to understand, and some of them can be taught at less expense than Elements or Principles, because they are better adapted to the lecture method. With these should be taken whatever languages, mathematics and sciences may be deemed useful. Following this should come more difficult specialized courses: Money and Banking, Railroads, Foreign Trade, etc.; and in the senior year a substantial course in the Principles of Economics should be given. If, with readings from various authors, a fairly comprehensive text is used, it will not only serve to bring out the broad social problems, especially those of distribution, and to draw together the loose ends from the scattered work of the preceding years into some sort of a connected and logical synthesis, but will also serve to fill in, even if in no great detail, some of the gaps in the students' training. One great gain accruing from this arrangement is that, when the student graduates, some of the freshest and clearest impressions that he carries out into his business life are, not those connected with accounting or investments or other business or "money-getting" courses, but rather the great questions of distribution and social welfare, whose understanding means intelligent citizenship; or, if the student chooses to take graduate work, he is better grounded for the specialized work of a graduate course than he would be if he had taken his Elements two or three years earlier.

It may not be amiss to point out that at least two universities have arranged schedules somewhat in accordance with the ideas expressed here. Stanford offers a course in Principles of Economics, which is required of all economics majors and must be preceded by 80 units of University credit. At the University of Kansas a similar course—called Advanced Principles—is required of all major students in their senior year, while underclassmen are advised not to take the course in Elements. Several years' experience in teaching Elements to underclassmen, Principles to junior and senior non-majors, and Advanced Principles to senior majors, has led the writer to the unorthodox views expressed in this paper. The fact that these views are contrary to those held by most teachers of economics establishes, it is admitted, a heavy presumption against their soundness, but it is hoped that the presumption against these views is no stronger than the case that stands against the Elements of Economics as taught in most universities of the country.

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